

1 The City Council of the City of Seabrook met in special session on Tuesday, July 30, 2019 at 6:00
2 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas to discuss, consider and if
3 appropriate, take action on the items listed below.
4

5 THOSE PRESENT WERE:

- | | |
|----------------------------------|---------------------|
| 6 THOM KOLUPSKI | MAYOR |
| 7 ED KLEIN – ex. abs. | COUNCIL PLACE NO. 1 |
| 8 LAURA DAVIS | COUNCIL PLACE NO. 2 |
| 9 JEFF LARSON – arrived 6:22pm | COUNCIL PLACE NO. 3 |
| 10 NATALIE PICHA | MAYOR PRO TEM |
| 11 | COUNCIL PLACE NO. 4 |
| 12 BUDDY HAMMANN | COUNCIL PLACE NO. 5 |
| 13 JOE MACHOL | COUNCIL PLACE NO. 6 |
| 14 GAYLE COOK | CITY MANAGER |
| 15 SEAN LANDIS | DEPUTY CITY MANAGER |
| 16 ROBIN HICKS | CITY SECRETARY |
| 17 SEABROOK DEPARTMENT DIRECTORS | |

18
19 Mayor Kolupksi called the meeting to order at 6:00 p.m.
20

21 **1.0 PUBLIC COMMENTS AND ANNOUNCEMENTS - None**
22

23 **2. CONSENT AGENDA**
24

25 **2.1** Approve the minutes of the July 23, 2019 Special City Council Meeting. (Hicks)
26

27 The City Council chose to begin the budget workshop and move this item to the next
28 regular City Council meeting agenda. No action was taken.
29

30 **3. PRESENTATIONS**
31

32 **3.1** Presentation of the FY 2019/2020 Proposed Budget. (Cook / Gibbs)
33

34 The FY 2019/2020 Proposed Budget was presented as part of Item 4.1 – Budget
35 Workshop.
36

37 **4. BUDGET WORKSHOP**
38

39 **4.1** Conduct a budget work session to review the proposed City of Seabrook Budget for Fiscal
40 Year 2019/20 and schedule future work sessions, if applicable. (Cook)
41

42 Gayle Cook, City Manager, and Michael Gibbs, Director of Finance, presented
43 Attachment A for review by and direction from the City Council.
44

45 By consensus, the City Council approved moving forward with the FY 2019/2020 Budget
46 as proposed.

47
48

49 Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 8:53 p.m.

50

51 Approved this 6th day of August, 2019.

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Thomas G. Kolupski
Mayor

DocuSigned by:
Robin Hicks Lenio
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Robin Hicks, TRMC
City Secretary

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Proposed Budget FY 2019-20 Budget

CITY COUNCIL MEETING

JULY 30, 2019





Mission Statement

The City of Seabrook is

Responsive

Innovative and

Fiscally Sound

in delivering services that

Preserve

Protect and

Enhance Quality of Life





Budget Process

March – June - CIP Review / Directors Prepare Preliminary Budgets

June – Council Strategic Planning Session

July – City Manager’s Presentation and Budget Workshops

August - Receive Certified Rolls

August – September - Calculate Effective Tax Rate

September/October - Vote on Proposed Tax Rate

September/October - Publication and Adoption of Proposed Budget

September/October - 2 Public Hearing on Tax Rate

September/October - Final Adoption of Tax Rate

Deadline: September 29, 2019 -Final Adoption of Budget





Process

Forecasts + Goals + Council Plans

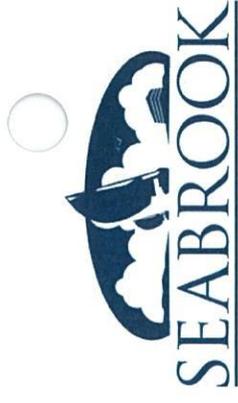
Directors submit
draft budgets

Present
Departmental Goals

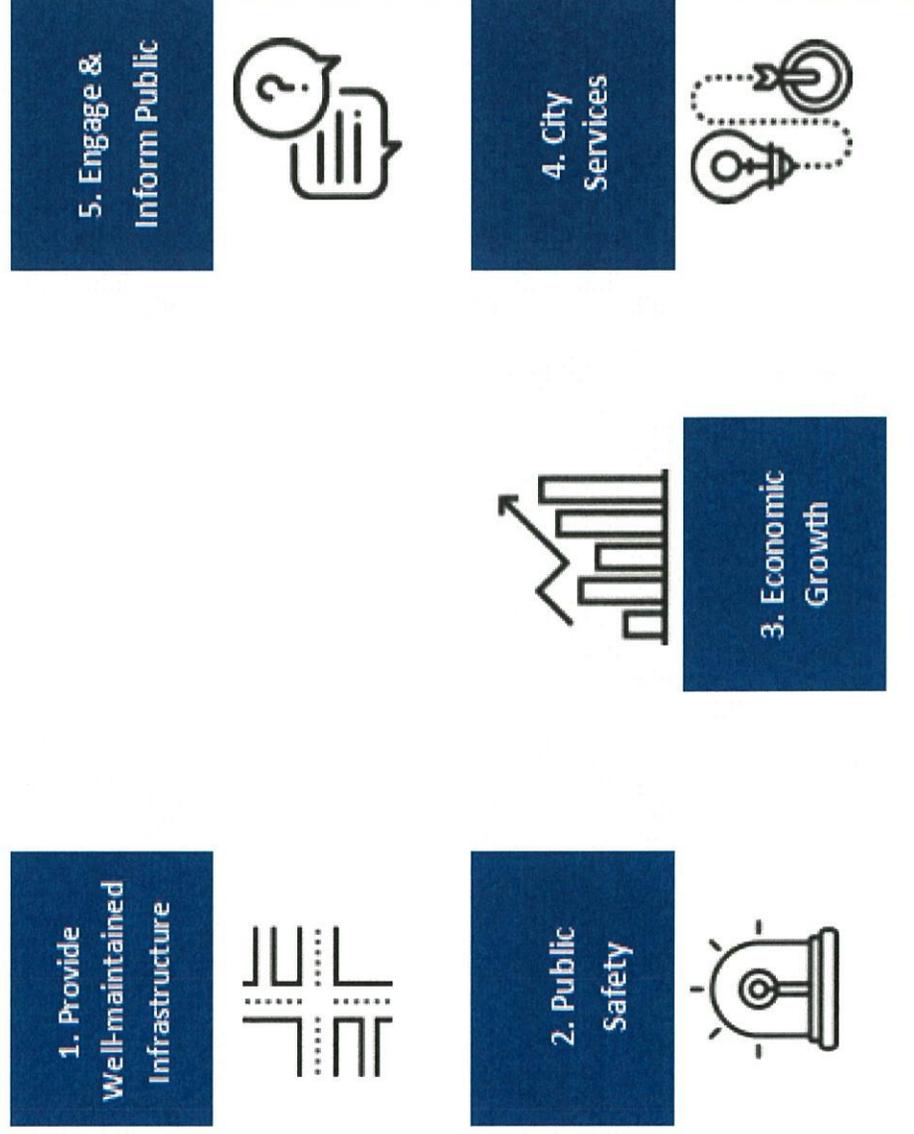
Directors meet
with City Manager

Present Decision
Packages





Council Priorities – Strategic Plan





Taxable Values

FY	Taxable Values	+/- Change
2015-16	1,048,845,796	
2016-17	1,164,299,182	11.0%
2017-18	1,240,951,271	6.6%
2018-19	1,301,405,336	5.5%
2019-20	1,445,913,407 (PRELIMINARY ONLY)	10.5%





Historical Tax Rates

Fiscal Year	Tax Rate
2014-15	0.640030
2015-16	0.612611
2016-17	0.565177
2017-18	0.574911
2018-19	.0551983





General Fund





Revenues: Ad Valorem

- FY 2019-20 are based on values with an approximate \$35 million **new** value at current rate
- The assumed collection rate is 97%
- Initial HCAD Letter +/- 5%
- 5% Increase to Proposed Ad Valorem Revenue
- Flat Forecasting for the Projected Years





General Fund Revenues

Proposed FY 2019-20

	2018-19 Budget	2019-20 Proposed	2019-20 PROP vs. 2018-19 Budget	% CHANGE
AD VALOREM TAXES	5,186,619	5,464,858	\$278,239.00	5.36%
PENALTIES & INTEREST	39,000	39,000	\$0.00	0.00%
SALES TAX	1,789,038	1,789,038	\$0.00	0.00%
FRANCHISE TAX	750,000	708,750	(\$41,250.00)	-5.50%
OTHER TAX	133,500	133,500	\$0.00	0.00%
LICENSE & PERMITS	301,500	275,000	(\$26,500.00)	-8.79%
CHARGES FOR SERVICES.	90,500	90,500	\$0.00	0.00%
MUNICIPAL COURT FEES	384,100	404,100	\$20,000.00	5.21%
DOT FINES	85,000	40,000	(\$45,000.00)	-52.94%
INTEREST INCOME	138,600	258,000	\$119,400.00	86.15%
INTERGOVERNMENTAL	402,985	772,399	\$369,414.00	91.67%
OTHER REVENUE	40,000	39,100	(\$900.00)	-2.25%
TOTAL REVENUE	9,340,842	10,014,245	\$673,403.00	7.21%



Revenue - Prior Year Fund Balance

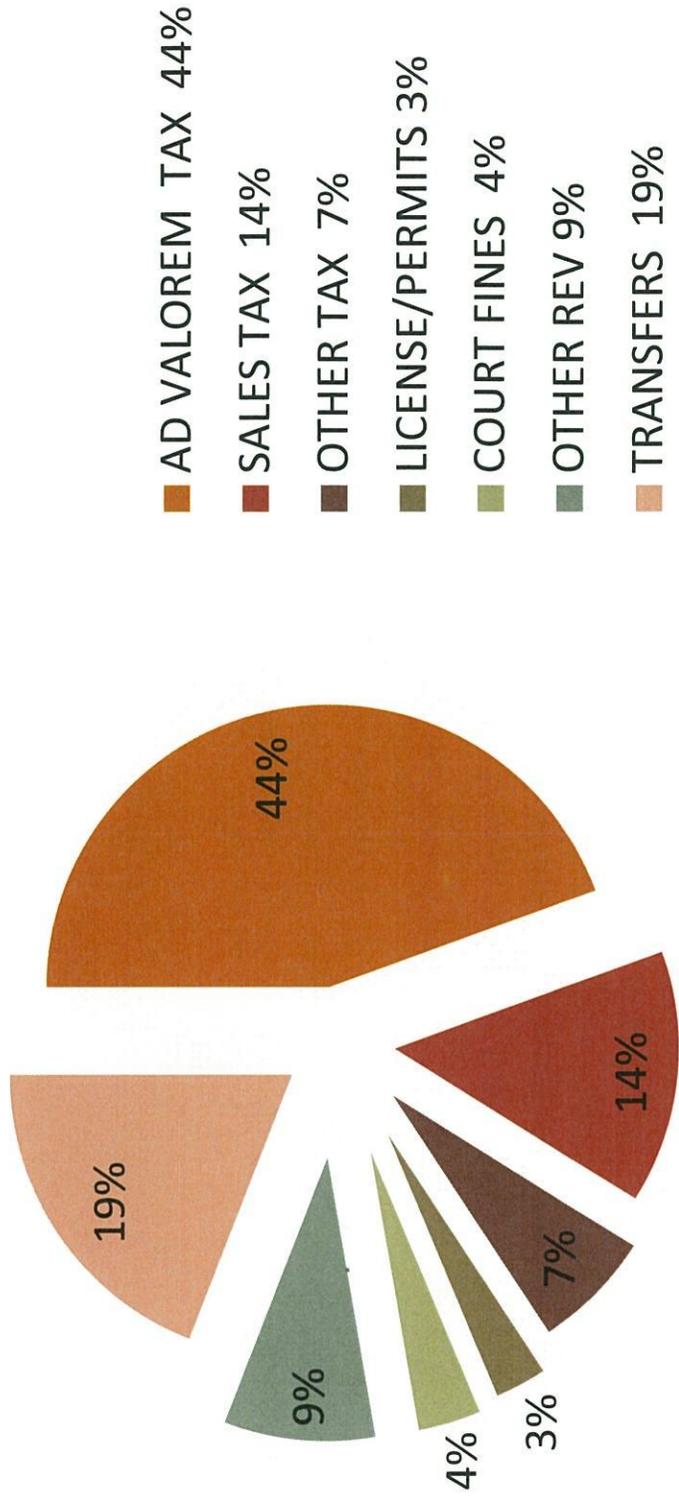
- Forecasts with property sale are estimating over \$ 1 million
- FY 2019-20 is proposing use of prior year funds for the following one-time expenditures
 1. \$100,000 Interim monthly contract for EMS Service (IF needed)
 2. \$133,452 Add 2 Tahoes to Public Safety Fleet (amortization included currently)
 3. \$ 54,624 Retirement
 4. \$ 28,000 GIS Software and Hardware
 5. \$ 24,000 Computers
 6. \$ 33,000 Servers

\$ 373,076





General Fund Revenues





Changes from Previous Budget

Ad Valorem	\$ 278,239
Intergovt*Other/Interest	\$ 487,914

EMS Revenues	\$ 375,000
Interest Increase	<u>\$ 120,000</u>
	\$ 495,000





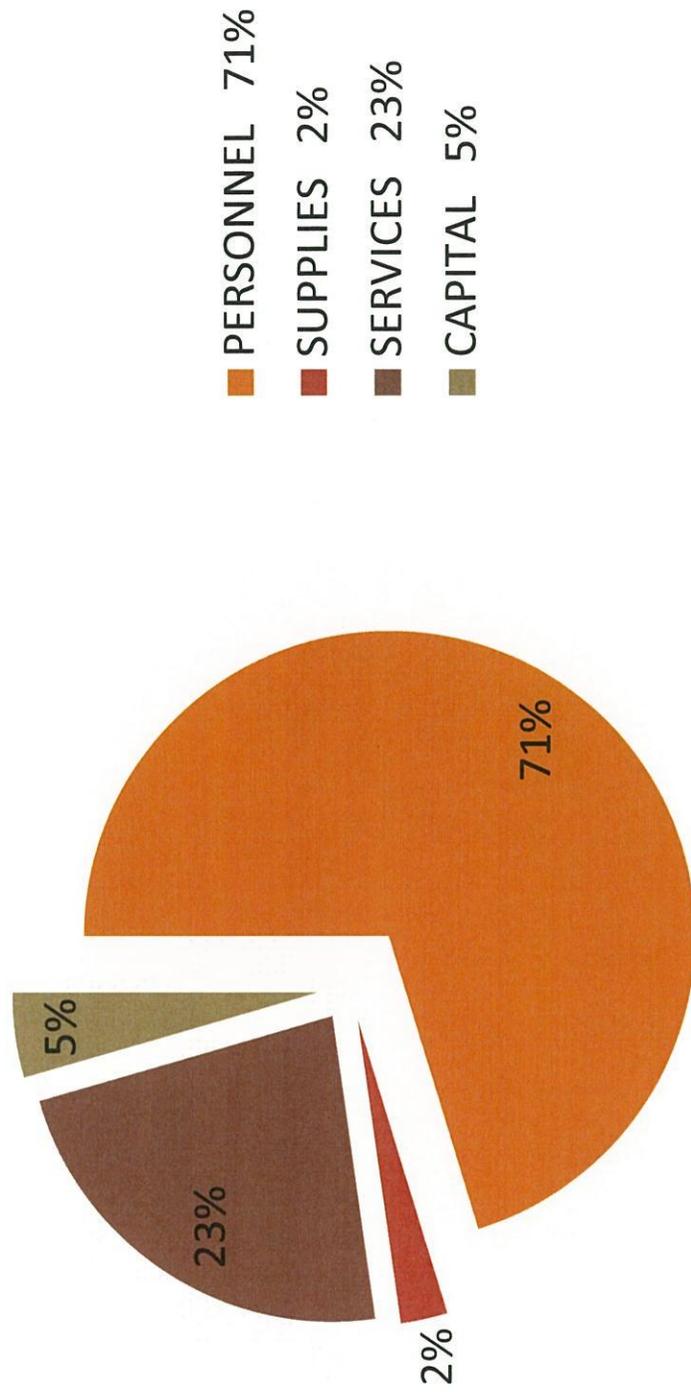
General Fund Expenditures Proposed FY 2019-20

	*2018-19 BUDGET			2019-20 PROPOSED			2019-20 PROPOSED vs. 2018-19 BUDGET			% CHANGE
PERSONNEL	\$	8,057,895	\$	9,008,776	\$	950,881	\$	950,881	11.80%	
SUPPLIES	\$	343,204	\$	266,844	\$	(76,360)	\$	(76,360)	-22.25%	
SERVICES	\$	2,831,315	\$	2,871,228	\$	39,913	\$	39,913	1.41%	
TRANSFER TO FUND 28										
CAPITAL	\$	997,331	\$	611,163	\$	(386,168)	\$	(386,168)	-38.72%	
TOTAL	\$	12,229,745	\$	12,758,011	\$	528,266	\$	528,266	4.32%	

All One Time Expenditures and Prior Year Funding



General Fund Expenditures



Personnel Drivers

General Fund



➤ **Funded Existing Position: PD Officer \$**

➤ Previous fiscal years difficult filling all positions and was left unfunded

➤ Step Program

➤ Market Adjustments

➤ Police Pay Table Revised

Summary Personnel Changes

Changes to General Fund

- Funding unfunded position in Public Safety
- Adding positions
- Market Adjustments
- Public Safety Pay Table Changes
- Step Increase

\$263,837





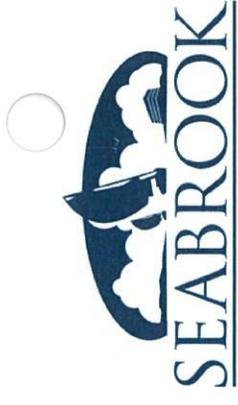
General Fund Highlights

- Legislative 100**
 - 2 FTEs
 - Market Adjustment and Step in Personnel
 - Election Expense
 - Addition of Open Records Software and Docusign for Agenda

- Administrative 102**
 - 11.5 FTEs
 - Reorganization - Multimedia Designer
 - Accounts Payable Position Full Year
 - Market Adjustments and Step in Personnel

- IT 103**
 - 2 FTEs
 - New line items for Hardware and Software
 - Consolidation of IT managed expenses
 - Step in Personnel





General Fund Highlights

Emergency Management 106

- Current 2 FTEs; After retirement 1 FTE
- 50% Director of Emergency Services
- 50% Fire Marshall
- Retirement of Director of Emergency Management (partial year) – *Prior Year Funds

Non Departmental 107

- Ambulance contract CLEMC removed
- \$100,000 *Prior Year Funds budgeted for possible crossover month

Public Safety 200

- 33.25 FTEs
- Funded new position: Bailiff/Community Liaison Officer
- Funded Police Officer (previously unfunded)





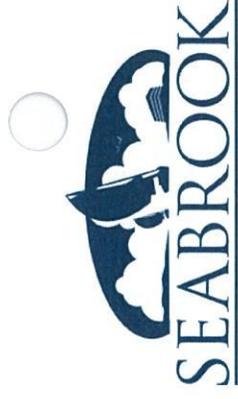
General Fund Highlights

- Animal Control 210**
 - 2.7 FTEs
 - Utilities adjusted for new building
 - Market Adjustment in Personnel

- DOT 220**
 - 3 FTEs
 - New Officers in training to fully staff
 - Crash and reconstruction training (formally outsourced)

- Emergency Services 230**
 - 1 FTE
 - SVFD Budget

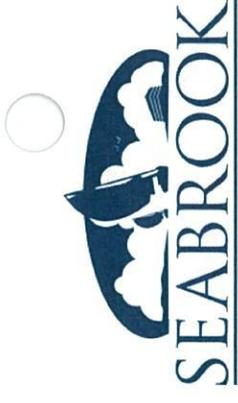




General Fund Highlights

- NEW** Emergency Medical Services (EMS) 240
- 7 FTEs
- 3 Supervisor Paramedics
- 3 Paramedics
- 1 Dispatcher



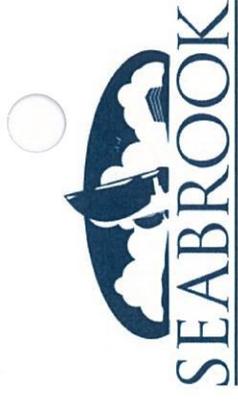


General Fund Highlights

- Parks 400**
 - 8.6 FTEs
 - Market Adjustment to Personnel
 - Split out Administrative Coordinator
 - Gatekeepers at Pine Gully to Weekends and Holidays
 - Seasonal Pool Employees

- Streets 500**
 - 9.38 FTEs
 - Sanitation Franchise Fee Expensed – Transfer on Summary





General Fund Highlights

- Community Development 600**
 - 5.3 FTEs
 - Moved Planning Tech position out to Administration
 - New Location requires a new money safe – Monthly costs

- Court 700**
 - 5 FTEs
 - 50% Bailiff / Fire Marshal position





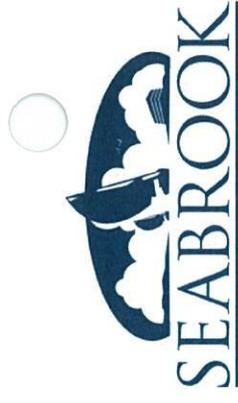
Enterprise Fund





Enterprise Fund Revenues

	2019 Budget	2019 Forecast	2020 Budget	Change	Change
8510 WATER SERVICE	\$ 3,096,701.00	\$ 2,938,601.40	\$ 3,085,531.47	\$ (11,169.53)	-0.36%
8512 EL LAGO WATER DISTRICT	\$ 105,000.00	\$ 107,981.10	\$ 106,000.00	\$ 1,000.00	0.95%
8540 WATER TAP FEES	\$ 14,000.00	\$ 19,289.35	\$ 19,000.00	\$ 5,000.00	35.71%
8550 PENALTIES, UTILITIES	\$ 20,000.00	\$ 29,785.37	\$ 27,000.00	\$ 7,000.00	35.00%
8640 LICENSE AND PERMITS	\$ 20,000.00	\$ 8,598.46	\$ 11,000.00	\$ (9,000.00)	-45.00%
9510 INTEREST EARNINGS	\$ 20,522.00	\$ 26,515.33	\$ 24,888.31	\$ 4,366.31	21.28%
9520 OTHER REVENUES	\$ 20,000.00	\$ 22,551.28	\$ 20,000.00	\$ -	0.00%
TOTAL WATER REVENUES	\$ 3,296,223.00	\$ 3,153,322.29	\$ 3,293,419.79	\$ (2,803.21)	-0.09%



Enterprise Fund Highlights

- Water 902**
- Current 7.48 FTEs

- Billing 905**
- Current 3 FTEs

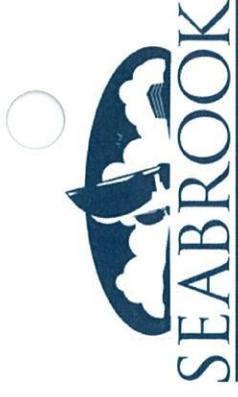
- Sewer 912**
- Current 4.86 FTEs
- Capital Expenditure: Manlift





Debt Funds





Hotel Tax Fund





Hotel Occupancy Tax Fund 150

- Forecast on revenues has dropped
- FY 2020 is decreasing anticipated revenues by 15%

CITY OF SEABROOK						
MULTI-YEAR FINANCIAL OVERVIEW						
HOTEL/MOTEL FUND						
HOTEL/MOTEL	ACTUALS			FOR FISCAL YEAR ENDING SEPT		
	2016	2017	2018	2019 BUDGET	2019 FORECAST	2020 BUDGET
BASE REVENUES						
HOTEL OCCUPANCY TAX	431,603	419,447	602,973	542,179	510,565	459,509
INTEREST INCOME	3,665	8,335	17,608	7,492	16,754	6,851
SALTWATER DERBY REVENUE	0	30	0	0	8	0
SEABROOK FESTIVAL REVENUE	105,951	107,532	92,638	172,700	92,807	172,700
PELICAN REVENUE	0	8,723	8,600	1,300	353	1,300
BUDGETARY FUND BALANCE	0	0	189,969	61,728	61,728	0
CITY CONTRIB SEABROOK FEST	0	0	0	0	0	0
TOTAL REVENUES	541,220	544,068	911,788	785,399	682,215	640,360



Hotel Tax Fund

- 1.2 FTEs
- Bay Area Convention and Visitors Bureau (BACVB) 15% (Moved to 150-5030)
- Pelican Project
- Festival Funding and Expenses





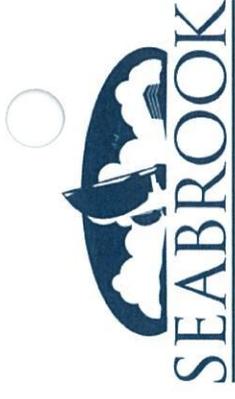
Special





Capital Improvement Program (CIP)





City of Seabrook Capital Improvement Plan (CIP)

CITY COUNCIL WORKSHOPS

JULY 30-31, 2019





Revisit CIP – Pine Gully Wastewater Plant

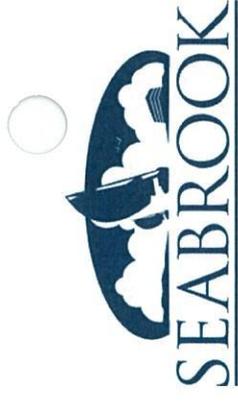
HMGP – Current Status

- FEMA and TDEM have advised based on application requirements to apply by PHASED PROJECTS APPROACH What does this mean?
- FEMA to make an eligibility determination on a subapplication (City).
- **DONE**
- **Comprehensive** technical information required for a full eligibility or EHP review of a complex project. – **IN PROGRESS/ON HOLD**
 - **12 month Engineering and Environmental Review of entire 2.5 MGD plant**



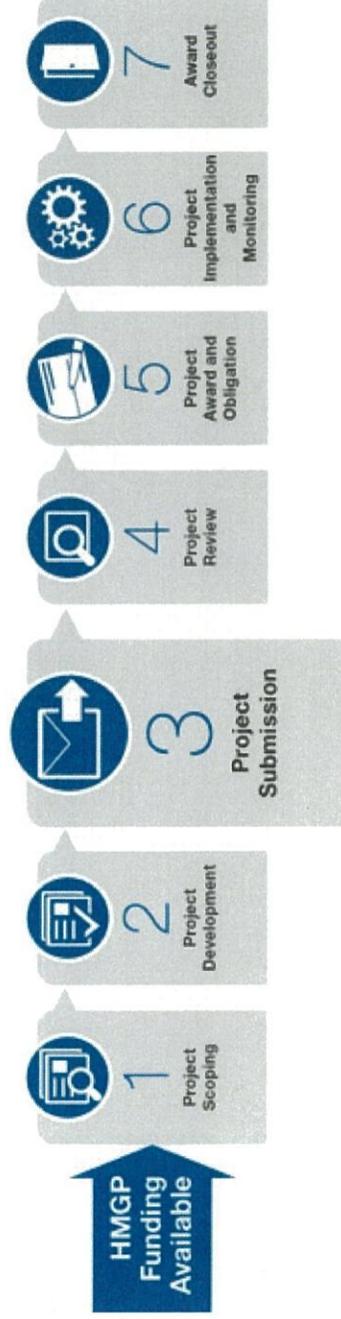
-
- **The Phase I Submittal** provides FEMA with a technical body of information mutually concurred on by the subapplicant (City), the Applicant (State), and FEMA to determine project construction eligibility.
 - **If** the results of the **Phase I Submittal** indicates that the project meets HMGP requirements, the project would then be eligible for construction funding under a Phase II approval.
 - **Phase I -Conditional Approval** – Throughout Phase 1 process FEMA works with Subapplicant on Pre-Screening Requirements (Hydrology, Engineering, Cost Effectiveness) to evaluate eligibility of Phase II

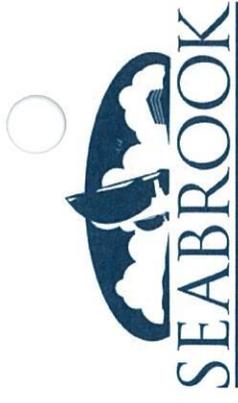




Phase II Approval – Construction Process

IF the project is determined to be eligible, technically feasible, cost effective, and compliant with EHP requirements after the Phase I technical review, the project **may then be approved** for construction under Phase II.

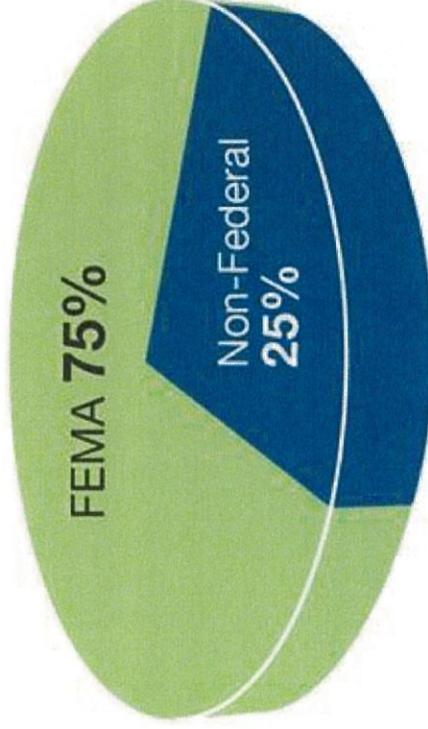




Revisit CIP – Pine Gully Wastewater Plant

HMPG Funding

HMPG Cost Share Requirement





HMGP - Funding

Current Estimate on Project

Applicants (City) Match

\$ 8,827,065

Federal Amount

\$26,481,200

Total Project Costs

\$35,308,265





Reimbursement Process with HMGP

REQUIREMENT: Non-federal cost-share funds (25%) are or will be available for the project

Phase 1 – Engineering and Design **\$ 6,039,715**

25% City Match \$ 1,509,928

Reimbursement based program where invoices can be submitted and processed 30-90 days

Phase 2 – Construction **\$ 29,268,550**

25% City Match \$ 7,317,137

City Responsibility --Pay Applications for Entire Project could be billed in large phases:

Example: 30% Construction Cost = \$8,780,565 (City Match 25% \$2,195,141)



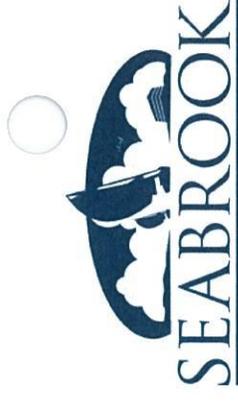
City Continues CIP Phased Approach

Current CIP: Phase 1 is a Package Plant

Phase 1A - .25 MGD	\$4,411,940	(Engineering \$ 703,700)
Phase 1B- .25 MGD	<u>\$4,231,250</u>	<u>(Engineering \$ 640,000)</u>
Total .50 MGD	\$8,643,190	(Engineering \$1,343,700)

Current CIP: Phase 2 and 3 Construct Concrete Infrastructure

Phase 2 1.25 MGD	\$23,895,840	(Engineering \$3,982,640)
Phase 3 1.25 MGD	\$24,897,600	(Engineering \$4,149,600)
Phase 4 Decommission Old Plant \$ <u>700,000</u>		
Total 2.50 MGD	\$49,493,440	(Engineering \$8,132,240)



HMGP Assumptions

HOLD - Meyer WW1 \$871,951

(Additional development WILL require this project to be completed)

Entire Project 100% for 2.5 MGD will be built with NO Phased Approach

Timing:

12 months (est.) Engineering, Design and Review

24 months Phase 2 Approval and Construction

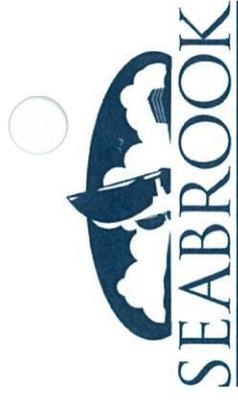
36 months HMGP Requirement

Reimbursement – Typically 30-90 days

Environmental – Additional Federal Requirements

Benefit Cost Analysis (BCA) Reviewed at Phase





Funding Available and Needed

Current Funds (COs and Impact Fees)	\$4,411,940
WW1 East Meyer Temp Parallel 12" Sewer	- \$1,000,000
HMGP Engineering Phase 1	<u>- \$1,500,000</u>
Remaining Funds	\$1,900,000

HMGP City Match 25%	\$ 8,827,065
(Less) Remaining Funds	<u>-\$1,900,000</u>
Additional Funds Needed	\$6,927,065

